

Message Text

LIMITED OFFICIAL USE

PAGE 01 BUENOS 03157 071731Z

62

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 ERDA-05 AID-05 CEA-01 CIEP-01 DODE-00

FEAE-00 FPC-01 H-02 INT-05 L-02 NSC-05 OMB-01 PM-03

USIA-06 SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00

FRB-03 PA-01 PRS-01 /097 W

----- 054617

R 071418Z MAY 75

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 1094

LIMITED OFFICIAL USE BUENOS AIRES 3157

E.O. 11652: N/A

TAGS: ENRG, EINV, AR

SUBJ: ESSO SITUATION, RECENT DEVELOPMENTS

REF: A. BA 2691; B. BA 2312; C. ASUNCION FBIS R 211720Z APR 75

1. ESSO REPS REPORT SOME FORWARD PROGRESS IN NEGOTIATIONS TO RESOLVE OUTSTANDING PROBLEMS. IT APPEARS GOA HAS REACHED INTERNAL AGREEMENT ON ITS POSITION AND IS NOW PRESSING HARD FOR PROMPT SETTLEMENT WITH ESSO AND OTHER PRIVATE COMPANIES. RECENTLY, ENERGY SECRETARY ISSUED TWO DECREES TOWARD THIS OBJECTIVE. ONE APPOINTS A SPECIAL COMMISSION TO "STUDY AND RESOLVE" DIFFERENCES BETWEEN YPF AND PRIVATE COMPANIES; THE OTHER GIVES YPF 60 DAYS TO WORK OUT FINAL SETTLEMENT.

2. ACCORDING TO ESSO REP, FRAMEWORK FOR SETTLEMENT WILL INCLUDE YPF EXPROPRIATION OF ALL ESSO ASSETS IN MARKETING AND DISTRIBUTION, ALONG WITH NEGOTIATION OF SERVICE CONTRACT FOR REFINERY OPERATIONS. IN PRACTICE, THIS APPEARS TO US TO BE YPF POSITION WHICH ESSO NOW PREPARED TO SWALLOW AS BEST, OR ONLY, ALTERNATIVE AVAILABLE. PREVIOUSLY, ESSO HAD STRONGLY LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BUENOS 03157 071731Z

OPPOSED ANY CHANGE IN REFINERY STATUS.

3. ESSO REP RELIEVED THAT LABOR DAY CELEBRATION PASSED QUIETLY. NEVERTHELESS, NEGOTIATIONS CONTINUE IN DIFFICULT POLITICAL CIRCUMSTANCES. AS REPORTED REFTEL A CGT BACKING CAMPAIGN, HOW SERIOUSLY NOT YET CLEAR, TO EXPEL MULTI-NATIONAL COMPANIES IN PETROLEUM SECTOR FROM ARGENTINA. MOVEMENT LED BY PETROLEUM WORKERS SECRETARY GENERAL DIEGO IBANEZ, WHO REPORTEDLY OUT TO REMOVE YPF PRESIDENT BLANCO AS WELL. MOST RECENTLY, SEVERAL FREJULI CONGRESSMEN HAVE SPONSORED BILL IN CONGRESS TO NATIONALIZE PETROLEUM INDUSTRY WITH CONFISCATORY COMPENSATION. WE ARE CHECKING TO DETERMINE IF BILL LIKELY TO HAVE ANY SIGNIFICANT BACKING IN CONGRESS.

HILL

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATIONALIZATION, PETROLEUM INDUSTRY, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 07 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: woolfhd
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BUENOS03157
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750160-0748
From: BUENOS AIRES
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750571/aaaacmid.tel
Line Count: 75
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 BA 2691, 75 BA 2312, 75 ASUNCION FBIS R 211720Z, 75 APR 75
Review Action: RELEASED, APPROVED
Review Authority: woolfhd
Review Comment: n/a
Review Content Flags:
Review Date: 02 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 SEP 2003 by BoyleJA>; APPROVED <22 DEC 2003 by buchant0>; APPROVED <22 DEC 2003 by woolfhd>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ESSO SITUATION, RECENT DEVELOPMENTS
TAGS: ENRG, EINV, AR, US, ESSO
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006